

**ALLEN PARISH FIRE PROTECTION  
DISTRICT NO. 5  
Oberlin, Louisiana**

**Financial Report**

**Year Ended December 31, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date AUG 28 2013

## TABLE OF CONTENTS

	<u>Page</u>
Independent Accountant's Review Report	1
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)</b>	
Statement of net position	4
Statement of activities	5
<b>FUND FINANCIAL STATEMENTS (FFS)</b>	
Balance sheet - governmental funds	7
Reconciliation of the governmental funds balance sheet to the statement of net position	8
Statement of revenues, expenditures, and changes in fund balances- governmental funds	9
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of the governmental funds to the statement of activities	10
Notes to basic financial statements	11-21
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary comparison schedule- General Fund	23
<b>COMPLIANCE AND OTHER MATTERS</b>	
Independent accountant's report on applying agreed-upon procedures	25-27
Louisiana attestation questionnaire	28-29

# Stutzman & Gates, LLC

## Certified Public Accountants

Members  
American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants

### INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Commissioners  
Allen Parish Fire Protection District No. 5  
Oberlin, Louisiana

We have reviewed the accompanying financial statements of the governmental activities and major funds of the Allen Parish Fire Protection District No. 5 (the District), component unit of the Allen Parish Police Jury, as of and for the year ended December 31, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the Allen Parish Fire Protection District No. 5. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

The management of the Allen Parish Fire Protection District No. 5 is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. The budgetary comparison information on page 23 is presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements and we did not become aware of any material modifications that should be made to such information.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

  
Stutzman & Gates, LLC  
June 11, 2013

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5  
Oberlin, Louisiana

Statement of Net Position  
December 31, 2012

	Governmental Activities
<b>ASSETS</b>	
Cash and interest-bearing deposits	\$256,852
Receivables	251,332
Capital assets, net	<u>220,279</u>
Total assets	<u>728,463</u>
<b>LIABILITIES</b>	
Accounts, salaries and other payables	10,524
Interest payable	3,053
Long-term liabilities.	
Due within one year	60,000
Due in more than one year	<u>150,000</u>
Total liabilities	<u>223,577</u>
<b>NET POSITION</b>	
Net investment in capital assets	10,279
Restricted for debt service	285,472
Unrestricted	<u>209,135</u>
Total net position	<u>\$504,886</u>

See accompanying notes and independent accountant's review report

ALLEN PARISH FIRE PROTECTION DISTRICT NO 5  
Oberlin, Louisiana

Statement of Activities  
For the Year Ended December 31, 2012

Activities	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities.					
Public safety	\$ 198,314	\$ -	\$ 32,799	\$ -	\$(165,515)
Interest on long-term debt	8,863	-	-	-	(8,863)
Total governmental activities	<u>\$ 207,177</u>	<u>\$ -</u>	<u>\$ 32,799</u>	<u>\$ -</u>	<u>(174,378)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					120,566
Property taxes, levied for debt service					123,250
Interest and investment earnings					<u>164</u>
Total general revenues					<u>243,980</u>
Change in net position					69,602
Net position - January 1, 2012					<u>435,284</u>
Net position - December 31, 2012					<u>\$ 504,886</u>

See accompanying notes and independent accountant's review report.

**FUND FINANCIAL STATEMENTS (FFS)**



**ALLEN PARISH FIRE PROTECTION DISTRICT NO 5**  
**Oberlin, Louisiana**

**Balance Sheet - Governmental Funds**  
**December 31, 2012**

	<u>General</u>	<u>Debt Service</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and interest-bearing deposits	\$ 83,531	\$ 173,321	\$ 256,852
Receivables -			
Ad valorem taxes	116,753	119,579	236,332
Grants	15,000	-	15,000
Due from other funds	<u>433</u>	<u>-</u>	<u>433</u>
Total assets	<u>\$215,717</u>	<u>\$292,900</u>	<u>\$508,617</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 1,614	\$ -	\$ 1,614
Payroll tax payable	1,111	-	1,111
Pension payable	3,857	3,942	7,799
Due to other funds	<u>-</u>	<u>433</u>	<u>433</u>
Total liabilities	<u>6,582</u>	<u>4,375</u>	<u>10,957</u>
Fund balances:			
Restricted for debt service	-	288,525	288,525
Committed for construction	83,750	-	83,750
Unassigned	<u>125,385</u>	<u>-</u>	<u>125,385</u>
Total fund balances	<u>209,135</u>	<u>288,525</u>	<u>497,660</u>
Total liabilities and fund balances	<u>\$215,717</u>	<u>\$292,900</u>	<u>\$508,617</u>

See accompanying notes and independent accountant's review report.

**ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5**  
**Oberlin, Louisiana**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
December 31, 2012**

<b>Total fund balances for the governmental funds at December 31, 2012</b>		<b>\$ 497,660</b>
<b>Total net position reported for governmental activities in the statement of net position is different because</b>		
<b>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds Those assets consist of</b>		
Land	\$ 12,000	
Construction in progress	15,700	
Buildings and improvements, net of \$90,960 accumulated depreciation	83,736	
Machinery and equipment, net of \$860,959 accumulated depreciation	<u>108,843</u>	220,279
<b>Long-term liabilities at December 31, 2012:</b>		
Bonds payable	\$210,000	
Accrued interest payable	<u>3,053</u>	<u>(213,053)</u>
<b>Total net position of governmental activities at December 31, 2012</b>		<b><u>\$ 504,886</u></b>

See accompanying notes and independent accountant's review report.

ALLEN PARISH FIRE PROTECTION DISTRICT NO 5  
Oberlin, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended December 31, 2012

	General	Debt Service	Total
Revenue			
Ad valorem taxes	\$ 120,566	\$ 123,250	\$ 243,816
Intergovernmental -			
Grants-state			
Department of Agriculture & Forestry	4,455	-	4,455
Building construction grant	15,000	-	15,000
Fire insurance rebate	13,344	-	13,344
Miscellaneous	74	90	164
Total revenues	<u>153,439</u>	<u>123,340</u>	<u>276,779</u>
Expenditures			
Current -			
Public safety			
Advertising	670	-	670
Bad debt	6,844	6,580	13,424
Contract labor	16,175	-	16,175
Fuel	7,704	-	7,704
Insurance	23,276	-	23,276
Repairs and maintenance	12,741	-	12,741
Building maintenance	300	-	300
Office supplies	4,485	-	4,485
Pension commission	3,857	3,942	7,799
Postage	98	-	98
Professional fees	8,629	-	8,629
Salaries	9,665	-	9,665
Supplies	16,457	-	16,457
Taxes and licenses	933	-	933
Telephone and utilities	4,194	-	4,194
Training	1,985	-	1,985
Travel	233	-	233
Capital outlay	22,222	-	22,222
Debt service -			
Principal	-	55,000	55,000
Interest and fiscal charges	-	9,413	9,413
Total expenditures	<u>140,468</u>	<u>74,935</u>	<u>215,403</u>
Excess of revenues over expenditures	12,971	48,405	61,376
Other sources (uses)			
Transfer from/to General Fund/Debt Service Fund	<u>(4,119)</u>	<u>4,119</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	8,852	52,524	61,376
Fund balances, beginning	<u>200,283</u>	<u>236,001</u>	<u>436,284</u>
Fund balances, ending	<u>\$ 209,135</u>	<u>\$ 288,525</u>	<u>\$ 497,660</u>

See accompanying notes and independent accountant's review report

**ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5**  
**Oberlin, Louisiana**

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of the Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2012**

Total net changes in fund balances at December 31, 2012 per Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 61,376
The change in fund balances reported for governmental activities in the statement of activities is different because:		
Add: Capital outlay which is considered as expenditure on Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 22,222	
Less: Depreciation expense for the year ended December 31, 2012	<u>(69,546)</u>	(47,324)
Add. Principal retirement considered as an expenditure on Statement of Revenues, Expenditures and Changes in Fund Balances		55,000
Add. Difference between interest on long-term debt on modified accrual basis versus interest on long-term debt on accrual basis		<u>550</u>
Total change in net position at December 31, 2012 per Statement of Activities		<u>\$ 69,602</u>

See accompanying notes and independent accountant's review report

**ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5**  
**Oberlin, Louisiana**

**Notes to Basic Financial Statements**

**(1) Summary of Significant Accounting Policies**

The accompanying financial statements of the Allen Parish Fire Protection District No. 5, (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of these notes.

Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guidance set forth in the industry audit guide, Audits of State and Local Governments, issued by the American Institute of Certified Public Accountants and the Louisiana Governmental Audit Guide.

The following is a summary of certain significant accounting policies:

**A Financial Reporting Entity**

Allen Parish Fire Protection District No. 5 was created under the provisions of Louisiana Revised Statutes 40:1492-1501, for the purpose of providing fire protection for the citizens of Ward 1 of Allen Parish. The district is governed by a board of commissioners composed of five members appointed by the Allen Parish Police Jury.

As the governing authority of the parish, for reporting purposes, the Allen Parish Police Jury is the financial reporting entity for the District. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Allen Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organizations' governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury

**ALLEN PARISH FIRE PROTECTION DISTRICT NO 5**  
**Oberlin, Louisiana**

**Notes to Basic Financial Statements (Continued)**

- 2 Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
- 3 Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship

Because the police jury appoints all members to the governing body and has the ability to impose its will on the District, the District was determined to be a component unit of the Allen Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by the police jury, or the other governmental units that comprise the financial reporting entity.

**B. Basis of Presentation**

**Government-Wide Financial Statements (GWFS)**

The statement of net position and statement of activities display information about the reporting government as a whole. They include all nonfiduciary funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. For the most part, the effect of interfund activity has been removed from these financial statements.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

**C. Fund Accounting**

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5**  
**Oberlin, Louisiana**

**Notes to Basic Financial Statements (Continued)**

The District maintains two funds. They are categorized as governmental funds. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined

The major funds of the District are described below.

**Governmental Funds -**

**General Fund –**

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund

**Debt Service Fund –**

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs

**D. Measurement Focus/Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

**Measurement Focus**

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined in item b below

**ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5**  
**Oberlin, Louisiana**

**Notes to Basic Financial Statements (Continued)**

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

- a. The governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. Their funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The government-wide financial statement utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with the District's activities are reported. Government-wide fund equity is classified as net position.

**Basis of Accounting**

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.



ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

E. Assets, Liabilities and Equity

Cash and interest-bearing deposits

Cash includes amounts in demand deposits and time deposits with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Due to/from other funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows.

Building and improvements	20-25 years
Machinery and equipment	5-15 years

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components.

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets

**ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5**  
**Oberlin, Louisiana**

**Notes to Basic Financial Statements (Continued)**

- b. **Restricted net position** – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted net position** – All other net position that does not meet the definition of “restricted” or “net investment in capital assets ”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance of the governmental funds are classified as follows

- a. **Nonspendable** – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact
- b. **Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. **Committed** – amounts that can be used only for specific purposes determined by a formal decision of the Board of Commissioners, which is the highest level of decision-making authority for the District.
- d. **Assigned** – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District’s adopted policy, only the Board of Commissioners may assign amounts for specific purposes
- e. **Unassigned** – all other spendable amounts

When an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions

**F. Revenues, Expenditures, and Expenses**

**Expenditures/Expenses**

In the government-wide financial statements, expenses are classified by character and function. In the fund financial statements, expenditures are classified by character

ALLEN PARISH FIRE PROTECTION DISTRICT NO 5  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

**G     Budget and Budgetary Accounting**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to December 15, the Treasurer submits to the Chairman and Board of Commissioners a proposed operating budget for the period commencing the following January 1.

A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

After the holding of the public hearing and the completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of resolution prior to the commencement of the fiscal year for which the budget is being adopted.

Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners.

All budgetary appropriations lapse at the end of each fiscal year.

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Commissioners.

**H.     Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**I     Bad Debts**

Uncollectible amounts due for ad valorem taxes and other revenues are recognized as bad debts at the time information becomes available which would indicate uncollectibility of the receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables was made due to immateriality at December 31, 2012.

ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5  
Oberlin, Louisiana

Notes to Basic Financial Statements (Continued)

**J      Compensated Absences**

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. Sick leave is available for the District's only employee, when needed, not to exceed twelve days. It does not vest nor is it payable at termination of employment. The District had no accumulated compensated absence liability at December 31, 2012.

**(2)      Cash and Interest-Bearing Deposits**

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2012, the District had interest-bearing deposits (book balances) totaling \$256,852.

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2012, the District has \$259,296 in deposits (collected bank balances). These deposits are secured from risk by \$250,000 of federal deposit insurance and \$9,296 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

The District follows state law regarding its deposits and investments, however it has not adopted a formal deposit and investment policy.

**(3)      Ad Valorem Taxes**

Property tax millage rates are adopted in December for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15<sup>th</sup> of the current year, and become delinquent after December 31<sup>st</sup>. Property taxes not paid by the end of February are subject to lien.

**ALLEN PARISH FIRE PROTECTION DISTRICT NO. 5**  
Oberlin, Louisiana

**Notes to Basic Financial Statements (Continued)**

For the year ended December 31, 2012, taxes of 23.77 mills were levied on property with taxable assessed valuations totaling \$14,388,630, and were dedicated as follows

Maintenance	11.77 mills
Bond sinking	12.00 mills

Total taxes levied for 2012 were \$342,345, of which \$98,529 was excluded due to homestead exemption. Taxes receivable at December 31, 2012 were \$236,332.

**(4) Taxes Receivable**

Taxes receivable consisted of 2012 property taxes which will be collected by the Allen Parish Sheriff's Office and subsequently remitted to the District.

**(5) Capital Assets**

Capital asset balances and activity for the year ended December 31, 2012 is as follows.

	Balance 01/01/12	Additions	Deletions	Balance 12/31/2012
Capital assets not being depreciated:				
Land	\$ 12,000	\$ -	\$ -	\$ 12,000
Construction in progress	-	15,700	-	15,700
Other capital assets:				
Buildings and improvements	168,174	6,522	-	174,696
Machinery and equipment	969,802	-	-	969,802
Total	<u>1,149,976</u>	<u>22,222</u>	<u>-</u>	<u>1,172,198</u>
Less accumulated depreciation				
Buildings and improvements	83,341	7,619	-	90,960
Machinery and equipment	799,032	61,927	-	860,959
Total	<u>882,373</u>	<u>69,546</u>	<u>-</u>	<u>951,919</u>
Net capital assets	<u>\$ 267,603</u>	<u>\$ (47,324)</u>	<u>\$ -</u>	<u>\$ 220,279</u>

Depreciation expense of \$69,546 was charged to the public safety function for the fiscal year ending December 31, 2012.

Construction in progress in the amount of \$15,700 consists of costs incurred to date for a fire station building. The total cost of the building is approximately \$99,450. The remaining cost of \$83,750 will be financed from excess General Fund revenues.

**ALLEN PARISH FIRE PROTECTION DISTRICT NO 5**  
**Oberlin, Louisiana**

**Notes to Basic Financial Statements (Continued)**

**(6) Changes in Long-Term Liabilities**

The following is a summary of the long-term liabilities transactions during the year:

	<u>Bonds Payable</u>
Long-term liabilities payable at January 1	\$ 265,000
Additions	-
Deductions	<u>(55,000)</u>
Long-term liabilities payable at December 31	<u>\$ 210,000</u>

Long-term liabilities is comprised of the following

\$950,000 general obligation bonds dated June 1, 1998 due in annual installments of \$40,000 to \$75,000 through March 1, 2016, interest at 4.50% to 5.10%, secured by levy and collection of ad valorem taxes	<u>\$ 210,000</u>
--	-------------------

The long term liabilities are due as follows

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 60,000	\$ 7,187	\$ 67,187
2014	60,000	5,013	65,013
2015	65,000	2,505	67,505
2016	<u>25,000</u>	<u>563</u>	<u>25,563</u>
	<u>\$ 210,000</u>	<u>\$ 15,268</u>	<u>\$ 225,268</u>

**(7) Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, injuries to employees; and natural disasters. The District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The District did not reduce insurance coverage during 2012.

**ALLEN PARISH FIRE PROTECTION DISTRICT NO 5**  
**Oberlin, Louisiana**

**Notes to Basic Financial Statements (Continued)**

**(8) Pending Litigation**

There are no lawsuits pending against the District at December 31, 2012

**(9) Interfund Transactions**

**A      Receivables and Payables**

The interfund receivable and payable in the amount of \$433 at December 31, 2012 consisted of the amount due to the General Fund from the Debt Service Fund for short-term loans

**B      Transfers**

A transfer in the amount of \$4,119 was made from the General Fund to the Debt Service Fund for payment of interest on the bond payable.

**(10) New Accounting Pronouncement**

In June 2011, the Governmental Accounting Standards Board (GASB) approved Statement No. 65, "Items Previously Reported as Assets and Liabilities." The statement clarifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. The provisions of GASB No. 65 must be implemented by the District for the year ending December 31, 2013. The effect of implementation on the District's financial statements has not yet been determined.

**(11) Subsequent Event Review**

The District's management has evaluated subsequent events through June 11, 2013, the date which the financial statements were available to be issued.

**REQUIRED  
SUPPLEMENTARY INFORMATION**



ALLEN PARISH FIRE PROTECTION DISTRICT NO 5  
Oberlin, Louisiana

Budgetary Comparison Schedule  
General Fund  
For the Year Ended December 31, 2012

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Revenue:				
Ad valorem taxes	\$119,300	\$120,566	\$120,566	\$ -
Intergovernmental -				
Grants - state.				
Department of Agriculture & Forestry	-	4,455	4,455	-
Building construction grant	13,500	15,000	15,000	-
Supplemental pay	6,000	500	-	(500)
Fire insurance rebate	12,000	13,344	13,344	-
Interest	75	86	74	(12)
Total revenues	<u>150,875</u>	<u>153,951</u>	<u>153,439</u>	<u>(512)</u>
Expenditures				
Current -				
Public safety:				
Advertising	625	768	670	98
Bad debt	2,500	6,901	6,844	57
Contract labor	200	14,185	16,175	(1,990)
Fuel	5,500	7,660	7,704	(44)
Insurance	25,000	23,500	23,276	224
Repairs and maintenance	8,500	13,115	12,741	374
Building maintenance	3,500	400	300	100
Miscellaneous	200	382	-	382
Office supplies	2,000	4,822	4,485	337
Pension commission	3,750	3,850	3,857	(7)
Postage	200	118	98	20
Professional fees	7,500	8,486	8,629	(143)
Salaries	25,800	8,965	9,665	(700)
Supplies	12,000	16,931	16,457	474
Taxes and licenses	2,000	717	933	(216)
Telephone and utilities	4,825	4,361	4,194	167
Training	200	1,100	1,985	(885)
Travel	6,500	371	233	138
Capital outlay	<u>10,000</u>	<u>22,222</u>	<u>22,222</u>	<u>-</u>
Total expenditures	<u>120,800</u>	<u>138,854</u>	<u>140,468</u>	<u>(1,614)</u>
Excess of revenues over expenditures	30,075	15,097	12,971	(2,126)
Other financing uses:				
Transfer to Debt Service Fund	<u>-</u>	<u>(4,419)</u>	<u>(4,119)</u>	<u>300</u>
Excess of revenues over expenditures and other uses	30,075	10,678	8,852	(1,826)
Fund balance, beginning	<u>200,283</u>	<u>200,283</u>	<u>200,283</u>	<u>-</u>
Fund balance, ending	<u>\$230,358</u>	<u>\$210,961</u>	<u>\$209,135</u>	<u>\$ (1,826)</u>

See independent accountant's review report

## **COMPLIANCE AND OTHER MATTERS**

# Stutzman & Gates, LLC

## Certified Public Accountants

Members.  
American Institute of Certified Public Accountants  
Society of Louisiana Certified Public Accountants

### Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Commissioners  
Allen Parish Fire Protection District No. 5  
Oberlin, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Allen Parish Fire Protection District No. 5 and the Legislative Auditor, State of Louisiana (the specified parties), solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2012 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the Allen Parish Fire Protection District No. 5 is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

#### *Public Bid Law*

1. Select all expenditures made during the year for material and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2296 (the public bid law).

There were no expenditures for material and supplies or public works exceeding the \$30,000 and \$150,000 thresholds during the fiscal year ended December 31, 2012.

#### *Code of Ethics for Public Officials and Public Employees*

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families

Management provided us with the required list.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2)

### ***Budgeting***

5. Obtain a copy of the legally adopted budget and all amendments

Management provided us with a copy of the original budget. There was one amendment to the budget during the year.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on December 13, 2011 which indicated that the budget had been adopted by the board members of Allen Parish Fire Protection District No. 5. The one amendment to the original budget was traced to the minutes of a meeting held on December 21, 2012.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues did not fail to meet budgeted revenues by 5% or more. Actual expenditures did not exceed budgeted expenditures by 5% or more.

### ***Accounting and Reporting***

8. Randomly select 6 disbursements made during the period under examination and.

- (a) trace payments to supporting documentation as to proper amount and payee,

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account,

All payments were properly coded to the correct fund and general ledger account.

- (c) and determine whether payments received approval from proper authorities

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the proper authorities.

### ***Meetings***

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:28 (the open meetings law).

The District complied with LSA-RS 42:11 – 42:28 (the open meetings law).

### ***Debt***

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

*Advances and Bonuses*

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the District for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Allen Parish Fire Protection District No. 5 and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24.513, this report is distributed by the Legislative Auditor as a public document.

*Stuhmann-Kelly, LLC*

June 11, 2013

LOUISIANA ATTESTATION QUESTIONNAIRE  
(For Attestation Engagements of Government)

5/8/13 (Date Transmitted)

Stutzman & Galt, LLC  
PO Box 1238  
Sulphur, LA 70664

(Auditors)

In connection with your review of our financial statements as of 12/31/2012 and for the year then ended, and as required by Louisiana Revised Statute (R S ) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations We have evaluated our compliance with the following laws and regulations prior to making these representations

These representations are based on the information available to us as of (date of 5/8/2013 completion/representations).

**Public Bid Law**

It is true that we have complied with the public bid law, R S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office

Yes [☒] No [ ]

**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R S 42 1101-1124

Yes [☒] No [ ]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S 42 1119.

Yes [☒] No [ ]

**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R S 39:1301-15), R S. 39:33, or the budget requirements of R.S 39 1331-1342, as applicable

Yes [☒] No [ ]

**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R S. 44:1, 44 7, 44 31, and 44 36

Yes [☒] No [ ]

We have filed our annual financial statements in accordance with R S 24:514, and 33 463 where applicable

Yes [☒] No [ ]

We have had our financial statements reviewed in accordance with R S 24:513.

Yes [☒] No [ ]

**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42.11 through 42.28

Yes [☒] No [ ]

**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements,

without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R S. 39 1410 60-1410 65.

Yes [ ☒ ] No [ ☐ ]

#### Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R S. 14 138, and AG opinion 79-729.

Yes [ ☒ ] No [ ☐ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

<input checked="" type="checkbox"/> <u>Ernest L. Monner</u>	Secretary	<input checked="" type="checkbox"/> <u>5/8/2013</u>	Date
<input checked="" type="checkbox"/> <u>E. G. H. Monner</u>	Treasurer	<input checked="" type="checkbox"/> <u>5/8/2013</u>	Date
<input checked="" type="checkbox"/> <u>Anthony D. Ennor</u>	President	<input checked="" type="checkbox"/> <u>5/8/2013</u>	Date